

TITLE 710. OKLAHOMA TAX COMMISSION
CHAPTER 95. MISCELLANEOUS AREAS OF REGULATORY AND
ADMINISTRATIVE AUTHORITY

RULEMAKING ACTION:

Notice of proposed **PERMANENT** rulemaking.

PROPOSED RULES:

Chapter 95. Miscellaneous Areas of Regulatory and Administrative Authority
[AMENDED]

SUMMARY:

As part of the Tax Commission's ongoing review of its rules, many proposed amendments to the existing rules have been made to implement recent legislation. All legislative references are to the Second Regular Session of the 58th Legislature (2022) unless otherwise indicated.

The proposed amendments to Sections 710:95-5-3 and 710:95-5-19 implement the provisions of Sections 21 and 22 of HB 3419 which created Service Oklahoma as a division of the Oklahoma Office of Management and Enterprise Services. It transferred applicable powers, duties, and responsibilities exercised by the Motor Vehicle Division of the Tax Commission to Service Oklahoma on January 1, 2023. Consistent with the transfer, provisions contained in the Used Tire Recycling Act were amended to reflect new terminology and/or denote Service Oklahoma as the party responsible to undertake and fulfill the transferred authority, duties and responsibilities. [47:3-101 et seq]

The proposed amendment to Section 710:95-21-3 is required to conform to the provisions of HB 1121 [2021]. [68:4304]

Other sections may be amended to clarify policy, improve readability, correct scrivener's errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references, which do not change the interpretation or intent of the rules.

AUTHORITY:

27A O.S. § 2-11-401.6; 68 O.S. §§ 203 and 4309; Oklahoma Tax Commission

COMMENT PERIOD:

Persons wishing to present their views in writing may do so by 4:30 p.m., February 7, 2023, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Lisa Haws, or by email to lhaws@tax.ok.gov.

PUBLIC HEARING:

A public hearing is scheduled for 1:30 p.m., on Wednesday, February 8, 2023, at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Lakesha Mackie at (405) 521-3133. Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

In order to facilitate entry into the building, those wishing to appear should

contact Lakesha Mackie at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. In order to gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:

Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:

Copies of the proposed rules may be obtained from the below listed contact person. The proposed rules may also be viewed on the agency's website at <http://www.tax.ok.gov>.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S. § 303(D), a Rule Impact Statement will be prepared and available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at <http://www.tax.ok.gov>.

CONTACT PERSON:

Lisa R. Haws, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194. Telephone number: 405-521-3133; Email: lhaws@tax.ok.gov

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SUBCHAPTER 5. USED TIRE RECYCLING

710:95-5-3. Used tire recycling fee

(a) **Applicability and amount of the fee.** With the exception of tires for automobiles as defined in 710:95-5-2, the amount of the fee levied by the Oklahoma Used Tire Recycling Act is determined based upon the size of the tire rim and/or use of the tire. [See: 27A O.S. § 2-11-401.2]

(b) **Report.** The Commission shall provide a report, on a monthly basis, to the DEQ of the fees remitted by each tire dealer and ~~motor license agent~~ operator licensed by Service Oklahoma a division of Oklahoma Office of Management and Enterprise Services hereinafter known as licensed operator.

(c) **Payments.** Upon receipt of monthly reports from the DEQ, the Commission will issue payments from the Fund to qualified applicants.

710:95-5-19. Compliance

Upon receipt of a determination from the DEQ that a tire dealer or ~~motor license agent~~ licensed operator has demonstrated a flagrant or repeated disregard of Section 2-1-401.2 of Title 27A, the Tax Commission will commence proceedings to collect finally established used tire fee liabilities in accordance with the recommendations of the DEQ. The Tax Commission will, in a timely manner, report the results of the proceedings to the DEQ.

SUBCHAPTER 21. QUALITY EVENTS

710:95-21-3. Quality event requirements, limitations and eligibility

(a) **Designation of quality event.** For purposes of this Subchapter a host community can designate a quality event pursuant to the adoption by the governing body of the host community an ordinance or resolution which must contain designation of the following:

- (1) The dates during which a quality event will be hosted; and
- (2) The type of expenses eligible for payment through distribution of captured revenues to the host community including, but not limited to, advertising, facility rental, promotional materials and security.

(b) **Designation requirements.** The resolution or ordinance must be adopted at least ~~six months~~ thirty days prior to the first day of the quality event.

(c) **Limitations.** A host community may only designate one quality event during the timeframe in which a designated quality event will occur.

(d) **Eligible quality events.** Eligibility for qualify event status is available for the following:

- (1) New events or meetings of a nationally recognized organization or its members
- (2) New or existing events that are a national, international or world championship, or

(3) New or existing events that are managed or produced by an Oklahoma-based national or international organization.

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RULE IMPACT STATEMENT

Pursuant to 75 O.S. §303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 95 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: The proposed amendments to Sections 710:95-5-3 and 710:95-5-19 implement the provisions of Sections 21 and 22 of HB 3419 which created Service Oklahoma as a division of the Oklahoma Office of Management and Enterprise Services. It transferred applicable powers, duties, and responsibilities exercised by the Motor Vehicle Division of the Tax Commission to Service Oklahoma on January 1, 2023. Consistent with the transfer, provisions contained in the Used Tire Recycling Act were amended to reflect new terminology and/or denote Service Oklahoma as the party responsible to undertake and fulfill the transferred authority, duties and responsibilities. [47:3-101 et seq]

The proposed amendment to Section 710:95-21-3 is required to conform to the provisions of HB 1121 [2021]. [68:4304]

CLASSES AFFECTED: Motor license agents a/k/a licensed operators and host communities for quality events may be affected by the proposed changes.

PERSONS BENEFITED: All affected classes will benefit from the proposed changes.

PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS: There are no anticipated increase to costs associated with the proposed rule changes.

LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE: The rulemaking action does not levy, implement, or increase an existing fee.

PROBABLE COSTS TO THE AGENCY: Costs to promulgate and enforce the proposed rules will be funded through normal agency budget. No measurable impact on State revenues is anticipated.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule changes at this time.

SMALL BUSINESS IMPACT: After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rules will have no adverse impact upon Small Business.

ALTERNATIVE METHODS AND COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules. No formalized compliance cost minimization measures have been pursued.

DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rules at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rules at this time.

DATE PREPARED: December 15, 2022